

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7113**

**BILL NUMBER:** HB 1802

**NOTE PREPARED:** Feb 1, 2005

**BILL AMENDED:**

**SUBJECT:** Motor Vehicle Salvage and Automobile Auctioneers.

**FIRST AUTHOR:** Rep. Saunders

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that a disposal facility, used parts dealer, or automotive salvage rebuilder from another state may apply for a foreign salvage dealer license from the Bureau of Motor Vehicles (BMV). It sets the fees for original, supplemental, and renewal foreign salvage dealer licenses.

The bill makes it a Class B misdemeanor for an automobile auctioneer to sell a motor vehicle or parts to a disposal facility, used parts dealer, or automotive salvage rebuilder unless the automobile auctioneer is provided the identification number of the purchaser's salvage dealer license.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** For the BMV there will be printing expenditures for the newly created licenses. The expenditures are expected to be minimal. In FY 2004, the BMV spent approximately \$98,000 for the printing of non-forms and about \$168,000 for forms. The fund affected is the Motor Vehicle Highway Account (MVHA), which supports the BMV.

**Explanation of State Revenues:** Revenue from the new licenses will depend upon the number issued. The fund affected is the MVHA. The fees for the new licenses are as follows:

License	Current Fee	Proposed Fee	No. of Dealers	Change in Revenue
Salvage Dealer	\$10	\$50	716	\$28,640
Foreign Salvage Dealer	NA	\$250	NA	NA
Supplemental Salvage Dealer	\$5	\$25	NA	NA
Supplemental Foreign Salvage Dealer	NA	\$125	NA	NA
Renewal Foreign Salvage Dealer	NA	\$125	NA	NA

**Penalty Provision:** The proposal provides for a Class B misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures:** *Penalty Provision:* A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** *Penalty Provision* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Bureau of Motor Vehicles.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Jane Morrical, Director of Treasury, Bureau of Motor Vehicles, 317-232-2822.

**Fiscal Analyst:** James Sperlik, 317-232-9866.